

**No. 7**

**TRONDHEIM STUDIES  
ON EAST EUROPEAN CULTURES & SOCIETIES**

**- Approaches to Globality -**



**Victoria de Grazia**

**AMERICAN SUPERMARKETS  
VERSUS  
EUROPEAN SMALL SHOPS**

**Or how transnational capitalism crossed paths with  
moral economy in Italy during the 1960s**

**March 2002**

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2002 by the Program on East European Culture and Societies, a program of the faculty of Arts. Norwegian University of science and Technology.

ISSN 1501-6684

*Trondheim studies on East European Cultures and Societies*

Editors: Knut Andreas Grimstad, Arne Halvorsen, Håkon Leiulfstrud, György Petèri

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# Preface

This paper from Professor Victoria de Grazia is the opening piece in our subseries devoted to theoretical and methodological issues pertinent to the study of the modern experience with globality and processes of a transnational and trans-systemic nature. While Professor de Grazia' s paper falls obviously outside the domain of East European Studies, it provides a great deal of valuable thought and inspiration to those of us who work with similar issues within the frameworks of PEECS' project, «Discourses of Global Ambitions and Global Failures: Transnational and Transsystemic Tendencies in State Socialist Russia and East Central Europe» funded by the Norwegian Research Council. Our thanks go to Professor de Grazia for having come to Trondheim and for having shared her impressive knowledge and inspiring ideas with us in a series of talks.

György Péteri

Trondheim – Dragvoll, March 2002.



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## Introduction

This sketch is drawn from a book I am writing called “An All-Consuming Power: A History of U.S. Market Culture in Twentieth Century Europe”. I call it a sketch, rather than a polished essay, much less a draft of a chapter, because I have wanted here to experiment with concepts, as well as with the narrative. This experimentation seems called for first by the need (a) to interpret a very abundant, but easy-to-misinterpret evidence – that are drawn from U.S. corporate sources, and (b) to collect further hard-to-find evidence on European consumers. But it is also dictated by the desire to clarify approaches and arguments advanced to reflect on processes of capitalist globalization in the contemporary world as well as in the past.

The broader argument of the book, which is in the process of being completed,<sup>1</sup> regards what is sometimes called “soft power” – the power of U.S. consumer culture.<sup>2</sup> More specifically, the book treats how it was exercised strategically across the twentieth century to mold a new cross-Atlantic material civilization. In the process, Europe, the age-old homeland of Western craft, high culture, and civility, was forced to yield the power to define civilization to the U.S., the greatest parvenu on earth. The old way to explain this stunning reversal of fortune was mainly political, namely, that U.S. leadership was forged out of the shambles of war-ruined Europe. In turn, faced with Soviet aggression, Western Europe and the United States consolidated their alliance, first economically, then culturally, by mutually bonding around a common ideal of liberal-democratic capitalist modernity. But in my view, America’s exercise of hegemony

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<sup>1</sup> To be published by Harvard University Press, 2003

<sup>2</sup> The first usage of the term “soft power” arises in Joseph S. Nye, Jr, Bound to Lead: The Changing Nature of American Power (New York: Basic, 1990), within the context of American foreign policy discussions about the exercise of U.S. global power in the wake of the crisis of the Soviet Union and the end of the Cold War.

originated at the turn of the twentieth century as the U.S. emerged as the world's premier mass consumer society. From the early 1920s, America and Europe embodied very different, then fiercely competing visions of market culture. Their rivalry climaxed around 1940 in a veritable clash of civilizations, the Nazi-led New Order presenting itself to a conflict-wracked, demoralized continent as the winning alternative to American economic and cultural dominion. This rivalry would only be overcome from the 1950s on as Western Europe developed within the framework of the postwar Atlantic Community. Thereafter, the border demarcating alternative market cultures shifted eastward, following the line of the so-called Iron Curtain. With the American alliance on one side and the Soviet bloc on the other, the triumph of U.S.-style consumer culture took place under the shadow of the struggle between the super-abundant American mass consumption and the austere Soviet-style planned provisioning. With the end of the confrontation, the U.S. stood at the center of the world economy, impresario of the spectacular, the ubiquitous pace setter of global consumer trends. In turn, Europe (meaning the western and southern areas of the continent, together with Great Britain) shared in the benefits of victory, becoming a mass consumer society in its own right. The clash of "rival visions of market culture"<sup>3</sup> had yielded to quibbles over the distribution of wealth and the meaning of scarcity, and these were articulated by reference to a shared cross-Atlantic, Western notion of material-cultural identities.

More specifically, "market culture" is a shorthand way to characterize what people expect from economic transactions in terms of the good life, the higher things of life, and, for that matter, the after life. More generally, market culture reflects estimations of the relative power of family and state, individual and group, science and fate, God and Mammon in shaping market outcomes. It is also the milieu of

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<sup>3</sup> Albert Hirschman, Rival Visions of Market Society and Other Recent Essays (New York: Viking, 1986).

cultural expectations in which capitalists operate and which they will try to change in pursuit of profit, but only if they have to. Even if they are extremely active, market culture is never purely capitalist, not even in hyper-capitalist societies. It always contains elements of pre-capitalist or extra-market morality, the exact mix depending on current politics, but especially on the inheritance of institutions and values from the past.<sup>4</sup>

The point of my approach, precisely, is to trace how a new and particular type of market culture, namely “mass consumer culture,” displaced the “commercial civilization” bound up with Europe’s bourgeois and pre-capitalist past. Market culture in this sense partakes of new capitalist norms of procedure moving across national and regional frontiers, the reactions of local exchange systems, and the transformations that occur in that not easily grasped popular dimension of market culture, sometimes called moral economy.

To argue from what we might call a “market-cultural approach” offers a number of advantages. First of all, I move around the vexed term “Americanization”.<sup>5</sup> The word has so many meanings and had

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<sup>4</sup> Clearly, Karl Polanyi’s work makes an important contribution here -- The Great Transformation [1944] (New York: Octagon Books, 1975); Primitive, archaic, and modern economies. Essays of Karl Polanyi (Garden City, New York: Anchor Books, 1964) -- insofar as he underscores the institutions generated by market relations, as well as their destruction as capitalism advanced. William Reddy, The Rise of Market Culture: The textile trade and French society, 1750-1900 (Cambridge: Cambridge University Press, 1984) is among the very first to use the term, “market culture,” in his study of industrializing northeastern France. In it, he makes the provocative argument that though the market in an economic sense still didn't exist in the late 19th century, the concept was so widely disseminated ideologically that workers formulated their demands for wage as if they were involved in market relations. The term is coming into more general use today in recognition that capitalism can take a wide variety of forms, and markets exist with a large spectrum of inflections across cultures. See: Robert W. Hefner, ed., Market Cultures: Society and morality in the new Asian Capitalism (Boulder, Colo.: Westview Press, 1998).

<sup>5</sup> On approaches to this term, see: Victoria de Grazia "Amerikanisierung und wechselnde Leitbilder der Konsum-Moderne in Europa," in H. Siegrist, H. Kaelble, and J. Kocka, eds., Europäische Konsumgesellschaft (Frankfurt: Compas, 1997), 109-38.



been used so frequently, so diversely over a century at least, that it is practically impossible to give it any heuristic spine. Second, I go back to the first premises: the rise and fall of great powers, to ask, more specifically, as an historian, what is it that gave American capitalism its carrying power abroad, notably that particular combination of force and persuasion, of rationality and playfulness, formal procedure and informality, wherein lies its capacity to lead the development of what we now know as consumer capitalism. More importantly, I am asking what obstructed another highly developed commercial culture, the European, from developing along the same trajectory. Third, and this is the trickiest part, I use this approach to highlight the terrain of encounter of different market cultures, to see it as a terrain of struggle, of asymmetries of exchange and of power. Through this struggle, procedures arising out of American capitalism set new rules and regulations, new standards, at the same time as they were drawn into local conflicts. The outcome was to break through and revamp older systems of exchange, to modify preexisting trajectories of development. In so doing, I am also highlighting the “alternatives”, to recall the notion developed by Jonathan Zeitlin and Charles Sabel.<sup>6</sup> But it is also to underscore that the “alternatives”, in the process of contact, lose their autonomy: differentiation – which will continue to occur – as well as convergence, moves on a new historical axis. They acquire a different trajectory – and therefore become the bearers of new kinds of meaning.

My argument, then, is not that American hegemony signals a modernization of existing systems, much less their convergence

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<sup>6</sup> Jonathan Zeitlin, “Productive Alternatives: Flexibility, governance and strategic choice in industrial history” in Franco Amatori and Geoffrey Jones, eds., Business History Around the World (Cambridge: Cambridge University Press, 2002), in addition to earlier presentations, notably Charles F. Sabel and Jonathan Zeitlin, “Stories, Strategies, and Structures: Rethinking Historical Alternatives to Mass Production,” in Charles F. Sabel, and Jonathan Zeitlin, eds., World of Possibilities: Flexibility and Mass Production in Western Industrialization (Cambridge: Cambridge University Press, 1997).

around a single model of modernity. Quite the contrary, it contemplates various trajectories of development. Rather it is to underscore moments of sharp conflict that are evident in the enormous resonance produced currently by the terms “Americanization”, globalization, etc. – terms used to name or dispute the phenomenon. I wish to understand how the changes resulting from these moments of confrontation are then assimilated, how they become naturalized, so that the transformations going on – with all of the inequalities, etc., which might be entailed – are no longer attributed to an external power.

This crossing of frontiers is especially well exemplified in the realm of commerce. In the first half of the twentieth century, commercial institutions began to be significantly transformed in contact with American models of distribution. One could thus speak of a series of ruptures starting with the introduction of the chain store in the 1920s. The supermarket revolution is a second chapter, as it were, of this confrontation between international and local “service” economies. The third might be regarded as the Wal-Mart phase, starting in the 1980s, though by that time, European commercial capitalists – including French, German, and British chains – themselves had a global reach, and the rupture in market culture that we describe below generally was of a different order, unless, of course, we are speaking of the post-Communist societies of East and central Europe.

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In an age of intense globalization, consumer culture is, by definition, global. Which is to say, it is very difficult, above all for those who live where it is densest (in the West, more specifically in western Europe, and above all, in the United States), to recognize what is anthropologically, much less historically, peculiar about its formation. What can be said in general, especially goes for provisioning for food. It can be accomplished impersonally comparing prices, weights, and values while moving along antiseptic, air-conditioned aisles. It can also be conducted sociably, haggling across fly-specked, fan-cooled counters or maneuvering through market stalls. However it is done, food shopping, being so basic and repetitive, is generally an un-reflexive act. Consumers reveal little about their strategies of provisioning (except perhaps to the ethnographer) until they are confronted with drastic disruptions caused by war, revolution, penury, or inflation, or when they come into contact with commercial systems that are remarkably different from their usual routines—most commonly abroad. Provided that their system is delivering as usual, most people would defend it. What's more, they would do so without being able to explain how it operates or what conditions brought it into existence.

Accordingly, by the 1960s when Americans had come to spend about 70% of their weekly grocery money at the supermarket, most would have championed it as the best of all possible worlds of food provisioning. They would have spoken of their weekly one-stop, self-service shopping as the most modern way in existence and the best suited to the American people's "high standard of living".<sup>7</sup> Few would

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<sup>7</sup> A "high standard of living" is very much an historically constructed notion, dating back to the early twentieth century, if not earlier. Its use in function of the U.S. hegemony abroad is examined in earlier chapters of my book. From the 1920s, there is very clearly a contrast between how standard of living is being defined in the U.S. and how it is being defined in many areas of the European continent. The U.S. literature on the "standard of living" is especially vast. For the best general introduction: see: Carle C. Zimmerman: Consumption and Standards of Living (New York: Arno Press, 1976, reprint [Originally published in New

have reflected on the peculiar housewifely skills such as driving and multi-day meal planning, the high average family incomes, (perhaps only 20 percent of which was now devoted to food) the ever-more automated kitchens, and the high rates of automobile ownership that made it possible. Few would have imagined the costly overhead, specialized equipment, and far-flung auxiliary food processing and packaging industries that made it viable. Few would have reflected on the labor shortages that made it necessary.

During the same decade, most continental Europeans would have still been attached to their neighborhood shops and open-air markets. There they shopped daily, usually on foot, visiting at least half-dozen different commercial establishments for as long as fifteen hours a week while spending as much as fifty-five percent of their family incomes on food. Though the experience of wartime scarcity and speculative pricing was still raw and complaints about inflation were rife, the world of neighborhood food retailing with its high mark ups, sometimes indifferent hygiene, and slow service was a perfectly acceptable system. Most continental Europeans could not have articulated the conditions that made it acceptable: namely, low family incomes, lack of domestic storage space, minimal food processing, and dietary customs that made shopping a daily necessity. Nor would they have considered the extensive exploitation of female labor that made it possible. Nor would they have been aware of the conditions that made alternatives difficult to imagine. These included factors such as the high cost of capital and land, backward conditions of agriculture, and accumulation of regulations favoring traditional retailers.

However, during the second half of the 1950s, with increasing speed, new forms of food retailing embodied in American-style self-

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York by D. Van Nostrand Company, Inc, in 1936]). For an introduction to how it was defined in American culture: see: Lawrence B. Glickman, *A Living Wage: American Workers and the Making of Consumer Society* (Ithaca and London: Cornell University Press, 1997).

service and supermarkets began to challenge the owner-run, over-the-counter neighborhood shop. In continental Europe generally, the contrasting ways of life embodied in the supermarket and the small shop come into conflict.

The spread of the supermarket was closely bound up with the changing social-economic order of postwar western Europe under U.S. hegemony, notably the liberalization of international trade, the establishment of higher and changed standards of food consumption as the chief index of a modern standard of living, the mechanization of households, and governmental support on behalf of modernizing distribution systems.<sup>8</sup> It also reflected the formation of what we might call the "white Atlantic", an area more and more unified by a common "high" standard of living, identified with market-driven, individualistic mass consumption and especially with the so-called "white goods"—household appliances that substantially changed the whole manner of housework and provisioning.<sup>9</sup>

Here, I want to reflect on the meaning of this sea change in going to market by bringing to you a remarkable capitalist adventure story. The story is so vivid and clear cut from a first reading of the very rich U.S. sources and it has such an apparently happy end, that it could

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<sup>8</sup> For an overview by experts from the period: William Harry Wilkens, Modern Retailing: Evolution and Revolution in the West European Distributive Trades (London: Business Publications Limited, 1966); Dr. K. H Henksmeier, The Economic Performance of Self-Service in Europe (Paris: Organization for European Economic Co-operation, European Productivity Agency, 1960); La Revue des deux mondes, 22, August-September, 1962 (special number: Grands magasins, supermarchés: La question du jour). René Ulrich, Supermarchés et usines de distribution: Hier aux Etas-Unis, aujourd'hui en France (Paris: Plon, 1962).

<sup>9</sup> A broad overview of changes under the U.S. hegemony is in my "Changing Consumption Regimes in Europe, 1930-1970: Comparative Perspectives on the Distribution Problem", in Susan Strasser, Charles McGovern, and Matthias Judt, eds., Getting and Spending: European and American Consumer Societies in the Twentieth Century (Cambridge: Cambridge University Press, 1998), 59-84.

have been scripted in Hollywood and filmed against the radiant backdrop of north-central Italy amidst the turn-of-the sixties boom time. The protagonist is Supermarket italiani, Spa, a subsidiary of Nelson A. Rockefeller's International Basic Economy Corporation. IBEC was a signally potent and genial expression of postwar America's globalizing corporate entrepreneurship. Founded in 1947 to export capital, management, and technology, IBEC's investments focused on housing construction, food processing, and distribution. Its promise was simultaneously "to raise living standards and earn substantial profits."<sup>10</sup> The earliest investments were in Rockefeller's old tramping grounds, Latin America, where by the mid-1950s, in addition to substantial other holdings, it operated a score of supermarkets in Venezuela, Peru, and Puerto Rico.<sup>11</sup>

Going into Italy in 1957, IBEC showed American multi-national

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<sup>10</sup> IBEC, #9 Nelson Rockefeller, quoted in The Christian Science Monitor, August 3, 1961. Unless otherwise noted, all citations related to IBEC and its operations in Italy are taken from the ample records located at and generously made available by The Rockefeller Archives, Tarrytown, New York. Emanuela Scarpellini's recently published Comprare all'Americana: le origini della rivoluzione commerciale in Italia 1945-1971 (Bologna: Il Mulino, 2001) also draws on the IBEC records at the Rockefeller archives, setting the operations of IBEC in the larger context of commercial developments in postwar Italy.

<sup>11</sup> Nelson Aldrich Rockefeller (NAR) was the grandson of John D. Rockefeller, the founder of Standard Oil. He was active in creating a new "world economic policy" as early as 1942, when under the fourth Roosevelt administration, he established and became the first head of the State Department's Office of Inter-American Affairs. Its primary purpose was to replace former economic ties between Latin America and Germany with new alliances controlled by American capital. He set up IBEC in 1946 while on assignment for Standard Oil. IBEC's primary purpose, in the process of establishing an "enlightened capitalism", was to establish new services (road, housing, retail outlets, etc.) in the vicinity of Standard Oil's drilling and refining operations. Rockefeller remained active in both Democratic and Republican administrations, a strong supporter of the corporate liberal alliance between global-oriented businessmen and government. He was close to Paul Hoffman, former head of Studebaker, who oversaw the administration of the European Recovery Program or Marshall Plan. NAR would himself run for office and be elected Governor of New York State in 1958. See: Wayne G. Broehl, Jr. United States Business Performance Abroad: The International Basic Economy Corporation (Washington, D. C.: National Planning Association, 1969).

venture capitalism at its most self-confident: its Board of Directors was eager to show that the Communists hadn't a chance provided "people had a full belly" and that a well-managed supermarket chain could maneuver around the secular encrustation of laws and regulations weighing down European commerce. When Supermarket Italiani opened its first store in Milan in November 1958, it was the only U.S. retailing company in all of Europe to underscore openly its American credentials, and the only American firm to be a majority stockholder in a European-based commercial undertaking.

The managing director, the self-styled "hayseed from Kansas" Richard W. Boogaart, could have been straight out of a Hollywood central casting: lanky, Stetson-hatted, Cadillac-driving, with a wife named Marge and two blond children in tow, he spoke with a self-deprecating candor that was pure Jimmy Stewart. The owner of a successful supermarket chain in Concordia where he had learned the trade from his grocer father, Boogaart had operated the first supermarket chain in Mexico City from 1946 to 1949 before joining IBEC to consult on its flagging Venezuela operations. A business visionary who dreamed of putting a processed chicken in every Italian pot and teaching Italians to eat ice cream in winter, Boogaart was also the impeccable bottom-line man – as befitting what he was, a successful capitalist.

Starting in 1957, after three years of daunting bureaucratic trials, devious communist tricks, and blunt confessions of failure, following several triumphant months in the black in 1960-1961, Boogaart moved on to new challenges in Buenos Aires, leaving behind relatively satisfied Italian investors, many thousands of faithful customers, and a chain of supermarkets that would grow to twenty-six by the mid-1960s. This chain still exists today under the name of Esselunga, and it is one of Italy's largest, probably the best-known, and nobody recalls its Rockefeller origins. By that time, IBEC's initial stake of \$425,000 had been sold to its Italian partners, and the \$2.7 million

dollars of profit from the sale were withdrawn from Italy to pay off investments gone bad in the housing market of the Shah's Iran and to underwrite IBEC's new Argentine operations.

Now the story of Supermarket Italiani sounds straightforward enough if I stick to this smooth script. It is the story of a purposeful, consumer-oriented globalizing capitalism. It forged a new social alliance of advanced capitalism and customer interests by endorsing a high-volume, low per unit cost operation that passed the savings on to the customer. It thereby cut the cost of living while providing greater variety and higher quality foodstuffs. As it adapted and responded to Italian consumers and taught stubbornly backward looking local shopkeepers some lessons about modern retailing, it laid the seeds of modern distribution. In short, this was no sad zero-sum European story, it was a win-win American narrative.

Told in this way, the narrative resonates very much with histories of present-day global consumer capitalism going local. It echoes the accounts by journalists of Euro-Disneyland as it settled into Marne la Vallée, fumbling badly, so the accounts go, before it finally worked up a European clientele for its fantastical historical pastiche. The IBEC story also resonates with the tales told of McDonald's as it had adapted to and given newly commodified identities to Asian customers.<sup>12</sup>

Historians have had surprisingly little to say about the substance of these encounters of the global with the local perhaps because they seem like contemporary events or because they demand a cross-cultural sensitivity to material life that comes more easily to the ethnographer.<sup>13</sup>

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<sup>12</sup> See: James L. Watson, Golden Arches East: McDonald's in East Asia (Stanford: Stanford University Press, 1997).

<sup>13</sup> Some useful models are provided by Jean Comaroff and John Comaroff, eds., Modernity and its malcontents: ritual and power in postcolonial Africa (Chicago: University of Chicago Press, 1993).



Yet the problem of the relationship of long-distance capitalism to local systems of production and consumption is as old as the movement of capital itself, and it raises the most profound issues about the cultural embeddedness of economic forms; about how different systems of exchange intersect with each other; about how commodities and commercial forms mutate as they cross political, economic, and cultural frontiers, about the degree that market institutions, in this case, the supermarket, carry with them the cultural and other assumptions of their origins.

Here I want to elaborate on this story with a strong nod to Fernand Braudel, the most seasoned and polymath of scholars of global capitalism and material life. Referring to his Afterthoughts on Material Civilization and Capitalism,<sup>14</sup> I want to treat this as a story of intersection of three different moments of exchange: the peak, meaning the long-distance capitalist undertaking that monopolized supplies, capital and knowledge to reap unusual profits. The second is the market economy which Braudel characterized as local exchanges. These local exchanges involve no surprises. For each party knows in advance the rules and the outcome, such that the always moderate profits can be roughly calculated beforehand. The third moment of economic interchange is the habitual regime of daily life. This might broadly be identified with the relatively little commodified economic and social reproduction of the household; I would also call it moral economy.

Accordingly, my story traces how a sociable yet wholly commodified form of commerce crosses paths with the partly commodified and solidaristic moral economy. It analyzes the struggle

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<sup>14</sup> First published in the American version: Fernand Braudel, Afterthoughts on Material Civilization and Capitalism, translated by Patrica M. Ranum, (Baltimore and London: Johns Hopkins University Press, 1977); also translated into German as Die Dynamik des Kapitalismus (Stuttgart: Klett-Cotta, 1986) from the French La Dynamique du capitalisme (Paris: Arthaud, 1985).

between two alliances: on the one hand, there was the long-distance capitalist undertaking with the power to monopolize supplies, resources, and knowledge joined with influential local capitalists, both claiming to act in the consumers' interest; on the other hand, there was small trade with the neighborhood and the female household provisioner, allied by shared notions of just profit and just price, inherited legislation, and the glue of trust, taste, and traditional notions of female family roles.

From this perspective, my account of IBEC in Italy might be visualized as not one movie script, but two. The first movie is fast-paced and in technicolor, a Billy Wilder One, Two, Three (1961) set not in Cold War Berlin but Milan and Florence, and peopled by savvy American Coca-cola executives, cynical politicians, local rubes, and sexy salesgirls. The second, in black and white, is a Commedia all'italiana, its chief protagonists are Toto' and Vittorio Gassman shopkeepers, Anna Magnani housewives and a swirl of non-professional actor bystanders. Playing concurrently, the former caters to Italy's prospering new middle classes, whereas the latter, running in the city outskirts, plays to what in Italy (and elsewhere on the continent) are called popular classes (*classi popolari*). This was the mix of craft, small business, wage earners, whose unity is less of class than of belonging to a common urban territory and partaking of a common standard of living. The first film ends on an upbeat, paradoxical note – "you can't keep them down on the farm, once they've seen gay Paree.." (A favorite early 20<sup>th</sup> century American song). The latter ends with a note of poignancy. Life has its tragedies, powerful forces conspire, but the neighborhood (il quartiere) pulls together and life goes on.

With these two scripts in mind, let us pick up our story again: first, briefly to characterize Supermarket Italiani's stratagems as it settled into Italy; second, to examine its encounter with the local market economy; third, to reveal the solidaristic system of exchange

relations that stood behind the latter; fourth, and finally, if very tentatively, to lay out my own afterthoughts on the new material civilization that is the outcome.

The most remarkable aspect of Supermarket Italiani's leap into foreign terrain was its sure-footed landing. This was cushioned by its prior business experience acquired in the Midwestern heartland of U.S. mass consumption and in Latin America, by its well-connected local supporters, and by its huge capital resources. IBEC made the decision to go into Italy after a survey of western European states conducted in 1956 revealed that pretty much across the board there were big obstacles to American-type supermarkets. Though Italy was overall by far the poorest country surveyed, it had two virtues, aside from the city of Milan with its large concentration of relatively well-off people where the supermarkets were to be located. The first was its recently passed foreign investment legislation, the most favorable in Europe with respect to exporting profits. The second was a friendly conservative government that might bend the rules. American corporations generally had friends in the shape of the U.S. ambassador in Rome, the glamorous and cunning Clare Booth Luce was a personal friend of Nelson's and her successor, James Zellerbach, was formerly the European Cooperation Agency's commissioner to Italy.

Unlike some leading U.S. retailing firms, notably the Jewel Tea Company which in the early 1960s would make significant investments in Belgium and France in alliance with old retail capital,<sup>15</sup> the Rockefeller enterprise sought complete freedom of action. From its minority Italian partners, it wanted only capital and political influence. It wanted nothing to do with local circuits or local knowledge, in the sense of technique. It therefore avoided the venerable La Rinascente Department Store firm and La Standa, the

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<sup>15</sup> Notably by means of its alliance with Emile Bernheim, the famous Belgium Department Store merchandiser who, in addition to building new supermarkets in Brussels, with French and American capital established the short-lived INNO stores in central Paris. In general on these developments, Libre-Service Actualité is an excellent source.

leading Italian five-and-dime chain, both of which were making forays into food retailing and were interested in working with IBEC. Instead, it allied itself with the summit of Italian industrial capitalism in the figure of the Lombard textile magnate Mario Crespi and his retinue, who some described as the Italian Rockefeller. The family also owned Italy's chief daily newspaper, the Corriere della Sera. Supermarket italiani could thus count on favorable reporting and editorials, as well as cheap advertising rates.

If there was a big unknown, compared to IBEC's previous experience in Latin America, it was the vast, pullulating world of small merchandisers. Milan alone, a city of 1.5 million people, was estimated to have 31,500 stores and another 10,000 street vendors. Altogether 14,000 outlets sold some kind of food. The Americans were dismissive about their power to compete economically. Otherwise, there was nothing to fear from these “small-timers”, except perhaps their political clout. That was potentially worrisome as all of the political parties from the Christian Democrats to the Communists vied for their favor.

Faced with these circumstances, IBEC's strategy might be summarized as twofold: speedy entry and stunningly effective service. The initial aim was to build so quickly and to perform so effectively that public officials, faced with lower food prices and eager to respond to customer enthusiasm, would swing around in support. That way, the additional licenses needed to open more and more stores would be granted. Accordingly, within only a matter of weeks, the company mobilized technique, knowledge, and capital to establish a monopoly over the modern circuitry of food distribution. The goal was a completely self-contained system of equipment and supply. To supply, say, chickens, eggs, or bread products according to the volume and quality required, it built its own plants. The chief baker was hired from the U.S. Army base at Verona. He was a German, who had originally recruited from the *Wehrmacht*. He was promptly sent on mission to London to acquire the latest bulk-bread recipes. Boogaart

also experimented with ice-cream manufacturing. This was potentially a high mark-up item. The specialized equipment for its manufacture had been purchased from U.S. military surplus. The final step was to build up personality so as to familiarize shoppers with the supermarkets' services and to capture their loyalty.

The first big hitch turned out to be obtaining licenses. Capital lay idle as licenses were held up under the 1938 law that regulated large surface, self-service operations. The whole enterprise might have gone bust then and there had not IBEC obtained a low interest, easy-term one million dollar loan from the recently established Import-Export Bank of Washington, the first such loan granted in Europe.

The second big hitch was volume. It was expected, following American experience, that low prices, combined with the bright and attractive atmosphere, self-service, and cash and carry would immediately attract a large clientele. These prices, together with the sheer abundance of products, did indeed attract large mobs of city residents to the stores. However, the vast majority were sightseers, at least at the outset, and purchases per capita remained low by U.S. standards. The average was calculated at \$2.50 per visit, compared to \$7.50 in the U.S. The huge size of the shopping carts imported from the U.S. only aggravated the problem: It was a rueful Boogart who remarked that "we asked the Italians to push a Cadillac when they are unable to even buy a Fiat."

To increase volume, IBEC decided to expand the number of stores by moving to Florence. At the time, the local left-center government had been disbanded, and the government prefect in charge promised to give them carte blanche, overriding local opposition from populist Catholics, the communist left, small shopkeepers etc. who subsequently engaged in strikes, boycotts, and other demonstrations to protest the openings.

The press coverage, the advertising, and the protests turned the opening of the first Florence store located on via Masaccio, on February 9, 1961 into a stunningly successful public event. 15,000

people passed through the doors that Saturday. The police on duty to control crowds and to keep back small shopkeeper hecklers reported that during the war when people were half-starved and had to line up for handouts, they hadn't acted so unruly. "We could raise prices, they would still come," management exulted: "It just seems to be what they have been waiting for."

"It just seems to be what they had been waiting for..." Should that be our conclusion? Retailing statistics for 1971 suggest another story. A decade later, still only 2% of the expenditure of food in Italy was spent in supermarkets, compared to 14% in France, 32% in Germany, and 70% in the U.S.<sup>16</sup> That figure alone made me go back to reflect over "our man in Milan," Boogaart's self-doubts when the operation was still operating at a deficit. At that time, he had estimated the custom at the store at only about 10 percent of the total spending on food on the part of the residents of the immediately surrounding area. "Knowing that saving money is the most important thing a low income family could want to do, I can only say that we have a problem that isn't operation or prices; it is a resistance to our stores for their size, the manner we sell, or it is the 33% which I mentioned the other day" – by that he meant the 33% combined vote of the left. Elsewhere, to explain the low volume to his Board of Directors, he mused: "if I were a psychoanalyst, I would say that they had some kind of a quirk which we can't locate... "

The quirks that eluded this skillful capitalist have eluded historians as well. The commonest explanation for the tenacity of so-called traditional retailing is that, basically, Italian commerce was backwards; that the conservatives and the left had an interest in

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<sup>16</sup> Francois Gardes, "L'Evolution de la consommation marchande en Europe et aux U.S.A. depuis 1960," *Consommation: revue de socio-economie*, XXX, 2 (April-June, 1983) 3-32. Also Louis Levy-Garboua, "Les modes de consommation de quelques pays occidentaux: comparaisons et lois d' evolution (1960-1980)," *Ibid*, 1, XXX (January-March, 1983), 4-52.

pandering to traditional commerce, even against consumer interests.<sup>17</sup> There was a general political consensus that small commerce performed indispensable functions like absorbing unemployment.<sup>18</sup> There were also what students of retailing call "economies of locality" or "economies of convenience", which is also assumed to have played a significant role. These terms are used rather generally to explain the success of the mini-monopolies established by small shopkeepers in their neighborhood: in other words: why, even if items cost 15-20 percent higher than in the supermarket, housewives are still willing to pay. They make a rough calculation of the value of their time, labor, and service, and the costs even out.<sup>19</sup>

However, the dialogue of our second movie begins to quicken when we probe deeper into the profound, if by no means perfect relationship between the neighborhood household and neighborhood commerce, or, to recall Braudel's categories, between material life and local exchange. In so doing, we see that proximity and custom initially greatly favored the personal familiarity of the old shops over the institutional personality of the new supermarkets. When the supermarket and the small store occupied the same general territory, the victory of the large-scale capitalist enterprise was by no means foregone.

To understand why this is so, we have to seek out the voice of the consumer. This is not an easy task, and I am still in the process of completing this aspect of the research, using local sources, mainly

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<sup>17</sup> See, for example, A. Pichierri, "Ceti medi e mobilitazione politica: il caso dei commercianti", Quaderni di Sociologia, 3, 1974, 161-249.

<sup>18</sup> Suzanne Berger, "The Uses of the Traditional Sector in Italy; Why Declining Classes Survive", in Frank Bechhofer and Brian Elliott, eds., The Petite Bourgeoisie: Comparative Studies of the Uneasy Stratum (New York: St. Martin's Press, 1981), 71-90.

<sup>19</sup> Hermann Levy, The Shops of Britain: A Study of Retail Distribution (London: Kegan Paul, Trench, Trubner & Co. Ltd, 1947).

from Florence.<sup>20</sup> To start, there is the question of terminology. The voice of the consumer was conjured into being by the supermarket capitalist, and it was still by and large an anachronism in 1950s Italy. Contemporaries would have spoken of the shopping habits of the massaia or housewife, or, simply, of families. When the Americans spoke empathetically about the desires and needs of their Italian customers, they had the American Mrs. Household Consumer in mind. The sovereign individual in all her majesty, maneuvering her loaded cart through the aisles, she was fully empowered with the household income to pick and choose from among the 4000 or so goods on display that had their origins from 42 different countries around the world. Mrs. Consumer would have been experienced at calculating purchases on the basis of comparison shopping, trusted the store's pricing systems (and if that trust was broken, she would have had the self-confidence to protest prices, outright or by going elsewhere), and confidently weighed her labor and time against money.

Mrs. Household Consumer, who had arisen in the U.S.A. over the course of several decades and in very different circumstances, had no exact counterpart in the Italian Massaia of the 1960s.<sup>21</sup>

First of all, the Massaia's relationship to pricing was different from her U.S. counterpart. In small stores, the prices could vary substantially from store to store on the same item. Moreover, because

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<sup>20</sup> These include minutes of the City Council of Florence, publications of the Chamber of Commerce of the City of Florence, newspaper reports, especially regarding protests, oral histories, and women's magazines accounts of the new enterprises.

<sup>21</sup> On European women shoppers habits in general, see The Consumer's Food-buying Habits (Paris: The European Productivity Agency, 1958), including reports collected on Austria, Germany, Italy, the Netherlands, and Norway in cooperation with various national public opinion research organizations, among them Italy's Doxa Institute in Milan. On the United States, there is an ample literature, starting with Robert S. Lynd, "Family Members as Consumers", Annals of the American Academy of Political and Social Science, March 1932, pp. 86 ff.; see also Elaine Tyler May, Homeward Bound: American Families in the Cold War Era (New York: Basic Books, 1988).



shopkeepers didn't often calculate the costs of replacing goods, they might drop prices if customers haggled or, as happened in Milan and Florence, to compete with the prices advertised by the new supermarkets. In turn, they might raise them on other items. More generally, shopkeepers and customers still believed in the notion of a “just price”, which is to say that the cost of certain staples followed a customary rhythm: if it shouldn't be raised, neither should it be slashed nor “broken”. This customary valuation went hand in hand with the notion of “just profit”.<sup>22</sup> Customers lived cheek by jowl with shopkeepers, whom they regarded like other working people as needing enough income to support their families, according to local standards.

Figuring in the housewife's calculations of the just price and profit were also the services the local store offered: namely credit, repairs, advice, and gossip. Clients could be said to be making far-reaching calculations about what we might call “neighborhood overhead”. With changes occurring so rapidly in the 1950s and 1960s, the local store was a repository of neighborliness. Women were especially attached to this clustering of services, since under normal

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<sup>22</sup> The passage from so-called traditional to modern shopping inevitably implicates questions about the meaning of money—there is all the world between haggling and notions of just price and fixed prices and other methods, such as discounting, that systematically change the relationship between money and value. Aside from Georg Simmel, a good place to begin consideration of the problem is: Vivian Zelizer “The Social Meaning of Money: ‘Special Monies’”, *American Journal of Sociology*, 95, 2 (September 1989), 342-377. The relationship of price consciousness to purchasing power is explored briefly but suggestively in Hugo E. Pipping, *The Standard of Living: Its Conceptualization and Place in Economics* (Helsingfors: Societas Scientiarum Fennica, XVII, 1953), p. 178. Pipping also underscores the ambiguous attitudes toward money in societies in which currency fluctuations confuse money values. “People use money as a yardstick, but do not trust it when they have become index-minded in time of war and inflation, nor do they trust it when status and standards are devalued.” As soon as customers can avail themselves of self-service, Philippe Perrot remarks with some overstatement, “le savoir d'achat” can become as important as “le pouvoir d'achat”, or “purchasing know-how becomes as important as purchasing power” -- *Les dessus et les dessous de la bourgeoisie: une histoire du vetement au XIXe siecle* (Paris: 1984).

circumstances, they did not go outside of the perimeter established by local shops and the children's schools. Accordingly, even if the markups were noticeably high, they paid them for fear that otherwise local storekeepers might go out of business at grave costs to neighborhood interests.

A second difference: Workers had no discretionary income to speak of and their habits were self-regulating. Standards of living were very firmly fixed by class and very firmly regulated by family, neighborhood stores, and the norms of the subculture. There was still very little advertising for food items, and practically none for new types of food. The housewife would have needed some sort of collective authorization to change her purchasing habits; at very least they had to be validated by the male head of the household. Not by chance, opposition to the new operations appealed to the need to satisfy the interests of the men in the good old ways of eating.

A third difference with respect to U.S. housewife regards the imperfect commodification of female labor in the household. Even if housewives had shopped around, comparing prices, what estimation would they have made of their own time and labor in the process? In the 1950s and 1960s, we are at the cusp of the new calculations about the relative worth of women's labor in the home. More and more, women entered the labor force, giving enormous weight to alternative uses of their time. At least partly, this was to generate the income that was required to live in a more and more money-mediated urban environment, with the stretch to reallocate income for new housing and other new needs requiring the more effective use of labor household and more efficient systems of provisioning. More and more, women's magazines and advertising publicized new models of household economics, underscoring the value of time saving as well as exercising new choices on the market to improve the nutrition, comfort, or delight of family members. After the "corvee" of the weekly laundry, provisioning took the most labor. As women's household labor was more and more commodified, the argument for

one-stop, self-service shopping strengthened.

A fourth difference regards the services sought after in provisioning. Emphasizing low-unit price, time efficiency, and choice, supermarkets stinted on advice. It was expected that consumers orient themselves to make choices by obtaining knowledge from practice, advertising, and from their older female relatives and friends. It was only after repeated consumer complaints that they needed more advice, that Supermarket italiani temporarily put extra number of shop assistants on the floor. Even so, shoppers made their selections cautiously, sticking to well-known items. Except for cleaned vegetables, they were loath to purchase the relatively few pre-prepared items, and the pre-prepared items in common usage – tripe, codfish, chick peas, olives in barrels – were not available. It would take higher incomes and more practice, as well as the ease of experimentation that one might expect from experienced bourgeois customers (who could afford mistakes) to encourage a more adventuresome shopping.

The other service that was missing was delivery. This service was almost invariably offered “free” by small shopkeepers. Which is to say, it was provided by unpaid help that was unavailable to the supermarket (which had to use unionized labor) – the dim-witted nephew, unemployable poor, or school-age children.

That the supermarket represented a social-cultural as much as economic rupture is suggested by the gender and class composition of the earliest clients. First, there was the presence of the “fur-coated” types, bourgeois women, who at first sent their maids and chauffeurs, and then showed up themselves to tap the novelty of choice, the freedom of movement, and the pleasure at shopping around for good prices. Second, there was the unanticipated presence of numerous men in the company of their wives or alone. Several reasons might account for this male presence. First, men were needed to help carry the groceries. Second, women were fearful at venturing outside of the neighborhood without company, and they did not want to risk

succumbing to impulse buying which could easily raise the bill 15-20 percent unless their husband was present to legitimate it. Finally, all of the hullabaloo impressed male opinion that food shopping at the supermarket fell not under the category of antiquated female drudge work but rather of modern leisure – food shopping as a family excursion.

From a preliminary look, this pattern appears largely confined to the middle- and lower-middle class. All said and done, the solidaristic moral economy pivoting around the alliance of interests of the householder to the small shop keeper was still more persuasive than the personable, if impersonal economy of the supermarket playing to the consumer's interest.

In conclusion, let me try to convey the play of considerations behind these alliances in two fictitious dialogues. One might have occurred in the butcher shop. The butcher, wily and seductive, banter with a mix of women, some who are wives of small functionaries, some of craft workers: “What can we serve the signora today? What are we going to serve your dear husband tonight? Would these beautiful veal chops do? Yes, indeed, they are expensive. One gets what one pays for. That's too much meat? Are you trying to starve him? If it's the cost, I'll throw in some stew meat. And you, signora? Steaks tonight?! Did your husband win the lottery? Are you showing off to your Mother-in-Law? I'll put it on your bill and have the boy bring it by.”

The needs satisfied here – for convenient locality, the authority of the shop keeper, gossip, credit, a personal guarantee of quality, and delivery – would certainly suggest staying as a customer. But at another moment, the haggling, wait, inequality of treatment, social control, and closely defined choices might argue for leaving.

Our second dialogue might have occurred among working-class women provisioners. “Did you visit that Super-mercato? What a bazaar! It was like Christmas. Who knows where the money went? All

the cans and paper. It's good for the fur-coated types. But I wouldn't go there without my husband. He likes to look around and he keeps track of the money. The children love the cookies. The meat looks purple. We never buy meat there, only chicken.”

The worries voiced here – about social trespassing, uncontrolled spending, unleashed desires – would certainly suggest staying away. But at another moment, the bazaar atmosphere, the freedom of movement, the equality of customer service, the range of choices, the obvious discounts, the fact that the fur-coated types might know something about modern shopping – would argue for regular use.

In Braudel's calm words: “The preserve of the few, capitalism is unthinkable without society's active complicity.”<sup>23</sup> In the middle-term, the rupture produced by IBEC produced complicity on behalf of small commerce. But that would not last. Before long, the capitalism of the supermarket was assimilated into local exchanges. With the passage of time, the calculations that were needed to make it central to local shopping were assimilated into material life.

This change of material life was only partly because of the operations of the supermarket itself. The vectors of transformation were complex: from cross-national markets and television advertising to new housing and women's participation in the labor force. The supermarket itself had collateral effects on its competitor – the small store. It put pressure on them to introduce new goods, new equipment, and self-service. Meanwhile, the supermarket itself was assimilated into the wider perimeter of the community as new housing was built up around it and advertising and habit made it a familiar presence. The next generation of shoppers would see it as a local fixture, operating amidst small shops, its relative weight and its meanings in their custom very much changed, the children of neighborhood shopkeepers employed in its operations, its exogenous origins forgotten.

In all of this, American international capital was something more

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<sup>23</sup> Braudel, p. 63.

than the catalyst. Typically, it operated from the peak, to breakdown the distinction between big capital, local exchange, and moral economy, by “freeing itself of the rules imposed upon the traditional market.”<sup>24</sup> Thereby it imparted a new dynamic to material life, re-situating it in new ways with respect to market exchanges, both those that are organized locally through commerce and those that were carried out at the peak by means of vast concentrations of transnational power.

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<sup>24</sup> Braudel, *Ibid.*



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**ISSN 1501-6684**